



## **1099s – Version 12**

Using the 1099 function allows you to print 1099's on preprinted laser forms and produce a file for electronic transmission to the IRS. Electronic filing eliminates the requirement to print Copy A and then mail to the IRS. If you file more than 250 records, you are required to file electronically. We recommend, because of the ease and convenience of filing electronically, that everyone do so. The file created can be uploaded to the IRS FIRE system.

1099s can be printed for owners, vendors and tenants. The process can be done at any time but the printing and magnetic media preparation should only be run after all transactions are posted for the calendar year. Only the transactions for the selected year will be considered. Printing onto the IRS designed forms may require some software adjustments to set the starting point on the page. Test print a few (at least 4) to assure the printing falls within the designated boxes. If your printer is not registering properly, refer to the Help on Adjust Printing.

The reported owner income is based on the net of all transactions for the year that have an [Account Type] of Taxable Income. The owner status is disregarded when determining 1099 candidates. Any owner – active or inactive – with the Send 1099 checkbox marked and with taxable income for the calendar year will be included.

Vendor amounts are determined by the net of all checks written during the year with that vendor as the payee. Checks posted to that vendor using the One Time Payee field are not included. Adjustments to the vendor totals can be posted using <<AP, Adjust Vendor Payments>>.

Tenant amounts are determined by the net of all released security deposit interest for the year.

***See page 8 for the Recommended Steps for 1099s. The following pages explain each option in more detail.***

## Preparing 1099's

Go to Mailings, Tax Reporting. If a tax file exists it will be opened. If one does not exist it will be created. When the Preview 1099s screen displays you can review the list of potential 1099 recipients. There are three options to change the list of recipients that displays. These can be useful to identify those with errors, and to select only vendors for printing in January or only owners and tenants for reporting in February/March.

Taxpayer	Source & Filer	Amount	Flags
Carl Wayne Cheek	Rental Income	\$4,382.03	<input type="checkbox"/> Skip <input type="checkbox"/> Error <input type="checkbox"/> Do Not Print
Frederick L. Clayton	Rental Income	\$6,650.00	<input type="checkbox"/> Skip <input type="checkbox"/> Error <input type="checkbox"/> Do Not Print
David & Judy Fiscella	Rental Income	\$4,382.03	<input type="checkbox"/> Skip <input type="checkbox"/> Error <input type="checkbox"/> Do Not Print
Victor Garcia	Vendor Payments	\$1,073.25	<input type="checkbox"/> Skip <input type="checkbox"/> Error <input type="checkbox"/> Do Not Print
Harrison S. Golden1234567	Rental Income	\$11,355.00	<input type="checkbox"/> Skip <input type="checkbox"/> Error <input type="checkbox"/> Do Not Print
Peyton T. Gray	Rental Income	\$4,382.03	<input type="checkbox"/> Skip <input type="checkbox"/> Error <input type="checkbox"/> Do Not Print
Charles W. Harris	Rental Income	\$4,382.03	<input type="checkbox"/> Skip <input type="checkbox"/> Error <input type="checkbox"/> Do Not Print
Lawn Doctor	Vendor Payments	\$1,252.66	<input type="checkbox"/> Skip <input type="checkbox"/> Error <input type="checkbox"/> Do Not Print
Ira C. Lebenson	Rental Income	\$1,075.00	<input type="checkbox"/> Skip <input type="checkbox"/> Error <input type="checkbox"/> Do Not Print
James J. Porach	Rental Income	\$4,382.03	<input type="checkbox"/> Skip <input type="checkbox"/> Error <input type="checkbox"/> Do Not Print
Randy's Roofing	Vendor Payments	\$2,494.87	<input type="checkbox"/> Skip <input type="checkbox"/> Error <input type="checkbox"/> Do Not Print
Donald S. Schenk	Rental Income	\$4,900.00	<input type="checkbox"/> Skip <input type="checkbox"/> Error <input type="checkbox"/> Do Not Print

- **Reporting Group** – the default prior to January 31 is January Deadline-Vendors. Other choices are: Vendors Only; Owners Only; Tenants Only; March Deadline-Owners and Tenants; All Payers.
- **Display Returns** – the default is All Returns. Other choices are: Reported Returns; Printed Returns; Unreported Returns.
- **Limit To** – the default is No Filter. Other choices are: Below Reporting Limit; Reporting Error; Marked Do Not Print; Marked Override; Marked Skip.

## Settings

Use the Settings button to change the tax year or minimum amounts for reporting. You can also reset it to the default values. The minimums are set per the tax code.

**See page 8 for the Recommended Steps for 1099s. The following pages explain each option in more detail.**

## PREVIEW 1099 SCREEN

### All Returns

Clicking this button will reload all taxpayer information and all amounts and change the Reporting Group to All Payers.

### Due in January

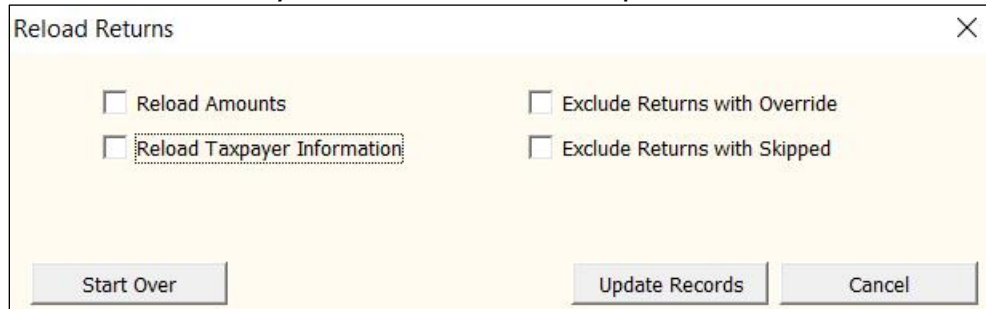
Clicking this button will load only Vendors.

### Due in March

Clicking this button will load only Owners and Tenants.

## Reload Returns

There are several checkboxes you can use to recompile the tax information.



Reload Returns

Reload Amounts

Exclude Returns with Override

Reload Taxpayer Information

Exclude Returns with Skipped

Start Over Update Records Cancel

- ❖ **Reload Amounts** – this will recalculate the amounts but not change any address information you may have modified in the 1099 function.
- ❖ **Reload Taxpayer Information** – this will reload the address information from the profiles.
- ❖ **Exclude Returns with Overrides** – this will affect only those records that have not been modified.
- ❖ **Exclude Returns with Skipped** – this will only affect the records that haven't been marked Skip.
- ❖ **Start Over** - will recompile all information.
- ❖ **Update Records** - will recompile based on the checkbox marked.

**Print None / Print All** - these buttons will toggle marking the Do Not Print checkbox for each line. If the box is marked that 1099 will not print. This can be used to test print just a few 1099s.

**Skip All / Skip None** - these will toggle marking the Skip button on each line.

## **Correcting Errors**

To more easily determine records with errors, in the Limit To field choose Reporting Error.

Review each line item and note the changes that may need to be made. The reason for not being reportable is noted in the Error field.

Click on the line item with an error. This will put that line item into edit mode. The reason for the error will be indicated in the [Error] field. The most common reason is "Taxpayer Address Truncated". PROMAS allows more space for the address than the IRS does. Line 2 and Line 3 of the owner profile are combined onto one line for the 1099. If the number of characters exceeds 40 (the IRS limit) it is marked as an error.

To fix a "Filer Address Truncated" error go to <<Setup, Company>> and adjust the address. When you come back in to the 1099 function, click on <Reload Returns> and <Start Over>.

Click on the <Edit 1099> button and then mark the <Override 1099 Information> checkbox to make the necessary changes. After making the adjustments, unmark the <Error in 1099 (will be skipped)> checkbox. Make the necessary adjustments to each of the Not Reportable line items.

These adjustments will not change the owner profile. Once you start making adjustments, if you need to recompile, click on <Reload Returns> and <Reload Amounts>.

## **Test Printing**

When you want to print test 1099's or only want to print 2 or 3 pages (printing only one page - 2 1099's - is not a good test), which is 4 or 6 1099's, do the following:

1. Go into Mailings, Tax Reporting
2. Click the Mark All to Not Print button
3. Click on a line item you want to print
4. Unmark the Do Not Print checkbox for the ones you want to print
5. Change Display Returns to Printed Returns to see the ones you have chosen to print.
6. Click <Print Tax Forms>, then <Print 1099 Copies>.

When testing, use Copy A. Verify that the Payer and Recipient numbers are in the unshaded areas of Copy A. If you choose to use plain paper or copies of a set you don't need - usually copy 2 or copy C, compare it to Copy A to be sure the numbers will fall in the unshaded areas of Copy A.

## **Print Alignment**

Not all printers start printing at the same registration point. You can adjust everything up or down on the form on the Print 1099 screen.

### **Micro Adjust down**

Use this to adjust the printing position for 1099s when the printer is not registering accurately. Use a minus (-) to move upward.

For example:

The number 50 will move all printing down 50/100 (1/2) inch.

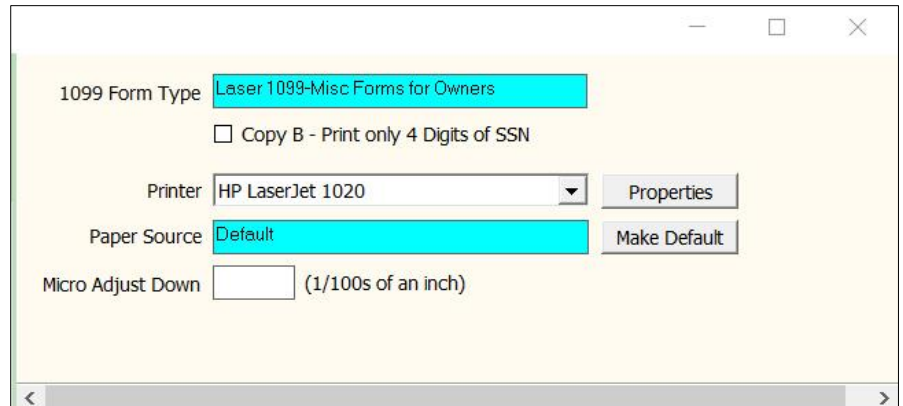
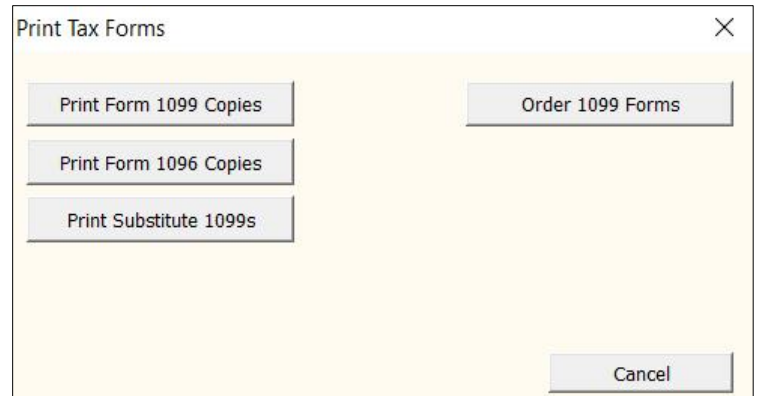
The number -25 will move all printing up 25/100 (1/4) inch.

## Print 1099's

Click <Print Tax Forms> button, then <Print 1099 Copies>. The forms are printed in three sets - Owners, Vendors, Tenants. The [1099 Form Type] field on the Ready to Print 1099 screen indicates which set starts with a new 1099 form. After you print the owners the Ready to Print screen will redisplay with a form type of Vendors (if any are to be printed). After printing vendors the screen will redisplay for tenants (if any).

To print a subset of the recipients use the <Mark All for No Printing> button, then unmark the <Do Not Print> checkbox for each one you want to print.

You can also use the Reporting Group field to select only vendors or only owners, etc.



## Laser Forms

Laser forms have two 1099s per page. The 1099 consists of four sets: A-IRS copy; B-Recipients copy; C-payers copy; Copy 2-State copy. Depending on your state, you may need 3, 4 or 5 parts. If your state requires five parts use a second Copy 2-State copy.

Laser forms are printed one set at a time. First print the 1099s using the Copy 2-State copy set. Then print the other sets. You can print or reprint the 1099s as many times as you want.

### Copy B - Print only 4 digits of SSN

When you print copy B we recommend you mark this checkbox to replace the first five digits of the owner's social security number with X's. The IRS condones this practice.

### Copy A

Copy A is the one that is sent to the IRS. IF you file electronically you do not need Copy A. The blocks on this copy are slightly different than the others and have smaller areas for printing. The spacing was designed such that when the Payer identification numbers are in the White area of the block the other fields will be near the center of their appropriate boxes. Use the print alignment process above to position that line during the test printing.

## Electronic Filing

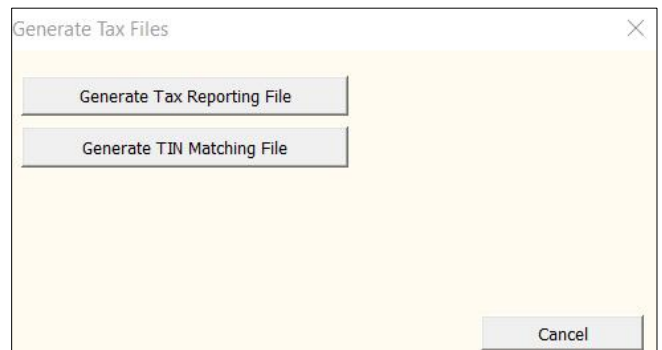
If you file more than 250 1099 records with the IRS, you are required to file electronically. We recommend that because of the ease and convenience of filing electronically that everyone do so. The file created can either be uploaded to the IRS FIRE system.

Prior to submitting an electronic file you must have received a Transmitter Control Number and Name Control from the IRS. The form number used to get the codes is IRS form 4419. You can download this form from <http://www.IRS.gov> by doing a search on 4419. The PDF document is printable.

## Create the Electronic File

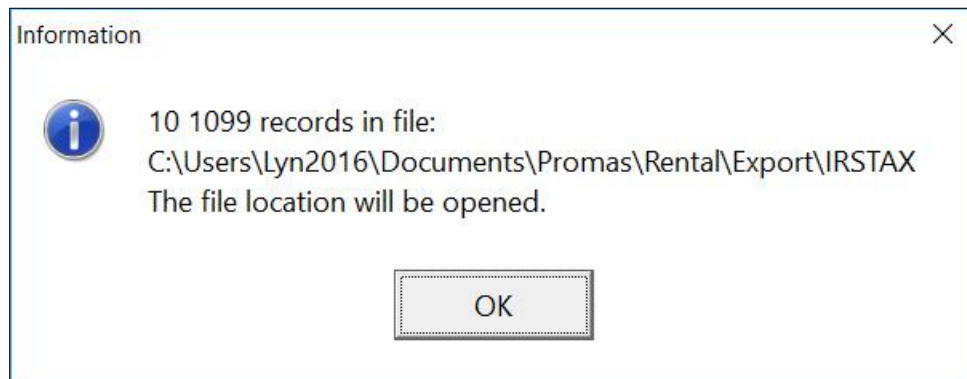
When you have finished editing and reviewing the 1099 records, and are ready to print the owner, state and file copies:

- Click on the <Generate Tax Files>, then on <Generate Tax Reporting File>.
- Review the terms and click the <OK> button.
- The File Location designates the folder on your computer in which the IRSTAX file will be created. This is the file you will send to the IRS.
- Fill in the Create Electronic Filing Output.



- Transmitter Control Number – supplied by the IRS.
- Name Control – supplied by IRS. From IRS instructions: "The Payer Name Control can be obtained only from the mail label on the Package 1096 that is mailed to most payers each December. If a Package 1096 has not been received, you can determine your name control using the following simple rules or you can leave it blank: Use the first four significant characters of the business name. Disregard the word "the" when it is the first word of the name, unless there are only two words in the name. A hyphen (-) and an ampersand (&) are the only acceptable special characters. Names of less than four characters should be left-justified, filling the unused positions with a blank."
- Contact Name – your name
- Contact Phone Number – your phone number
- Contact Email Address – your email address
- Create a Test File – mark this checkbox if you want to send a test file to the IRS before sending the real file.

- Verify the information in the protected fields. The information comes from Setup, Company Profile and Setup, Database Settings.
- Click <Compile>.
- An information screen displays indicating the number of records and the file name and location of the file created. Make note of it and click <OK>.
  - You are now on a screen with the IRSTAX file highlighted. We recommend that you change the name of the file: right click and choose Rename. Then rename it to something that will identify it for you. for example, the vendor file might be named IRSTAX-Vendors2017.
  - You might also want to copy the file to another location like your Backups folder.
- Click <Close>.
- Proceed with the electronic filing per the IRS FIRE procedures.





## **Recommended Steps for doing 1099s**

### **General**

1. Compile all
2. Print Report
3. Fix Errors
4. Print Owner, Tenant, Vendor Copy B
5. Do Vendor Copy A - either print or electronic
6. Print owner Copy A or create owner electronic file.

### **Prior to January 31**

1. Go to <<Mailings, Tax Reporting>>
7. Click All Returns button or in Reporting Group - choose All Payers
8. Click Reload Returns, click Start Over - this will load all owners, tenants, vendors
9. Click Report and Preview - review, then Close
10. In Limit To field, choose Reporting Error
11. Fix each error
12. In Limit To field choose No Filter
13. Click Print Tax Forms
14. Click Print Form 1099 Copies
15. Print Copy B for all - owners, tenants, vendors
16. Mail Copy B to all
17. Click Due in January button or in Reporting Group, choose January Deadline, Vendors
18. Click Print Tax Forms, then Print Form 1099 Copies (to print Copy A) or Generate Tax Files (to create electronic file) for vendors (see next page for tax file instructions)
19. Mail or Send to the IRS.

### **Prior to February 28 if you are mailing Copy A to the IRS**

1. Go to <<Mailings, Tax Reporting>>
2. In Reporting Group choose March Deadline - Owners and Tenants
3. Click Print Tax Forms, then click Print Form 1099 Copies to print Copy A.
4. Mail to IRS.

### **Prior to March 31 if you are filing electronically with the IRS**

1. Go to <<Mailings, Tax Reporting>>
2. Click Due in March button or in Reporting Group choose March Deadline - Owners and Tenants
3. Click Generate Tax Files to create electronic file for owners and tenants (see next page for tax file instructions).
4. Send to IRS.